

AMENDED IN ASSEMBLY JULY 21, 2003

AMENDED IN ASSEMBLY JULY 10, 2003

AMENDED IN ASSEMBLY JULY 2, 2003

## SENATE BILL

**No. 930**

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### **Introduced by Senator Burton**

*(Principal coauthor: Assembly Member Jerome Horton)*

*(Coauthors: Assembly Members Cohn and Strickland)*

February 21, 2003

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An act to amend Section 12012.85 of, and to add Section 12012.90 to, the Government Code, and to amend Sections 4369, 4369.1, 4369.2, 4369.3, and 4369.4 of, and to repeal Section 4369.5 of, the Welfare and Institutions Code, relating to gambling, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 930, as amended, Burton. Gambling.

(1) Existing law ratifies specified tribal-state gaming compacts. Existing law also establishes in the State Treasury the Indian Gaming Special Distribution Fund for the receipt and deposit of gaming device license fee moneys received by the state from Indian tribes pursuant to the terms of the tribal-state compacts. Money in that fund is available for appropriation by the Legislature for various purposes, including grants to address gambling addiction, grants for the support of agencies impacted by tribal government gaming, and compensation for regulatory costs. Existing law also creates in the State Treasury the Indian Gaming Revenue Sharing Trust Fund for the receipt and deposit of moneys derived from gaming device license fees paid by compact tribes. Money in that fund is available to the California Gambling

Control Commission, upon appropriation by the Legislature, for distribution to noncompact tribes, according to the terms of the tribal-state gaming compacts.

This bill would also specify that money in the Indian Gaming Special Distribution Fund may be used to make payment of shortfalls that may occur in the Indian Gaming Revenue Sharing Trust Fund. The bill would also establish a mechanism by which funds may be transferred from the Indian Gaming Distribution Fund to the Indian Gaming Revenue Sharing Fund pursuant to specified provisions of the tribal-state compacts.

(2) Existing law establishes the Office of Compulsive Gambling in the State Department of Mental Health. The office is responsible for developing a compulsive gambling prevention program within the state that consists of designated components.

This bill instead would *rename that office as the Office of Problem and Pathological Gambling and would* establish the office in the Department of Alcohol and Drug Programs. The bill would revise designated components of the *gambling prevention* program, would require the office to develop a program to support treatment services for described gamblers, and would require that implementation of these programs be based upon allocation priorities established by the Department of Alcohol and Drug Programs and be subject to funding being appropriated for that purpose.

This bill would modify other provisions relating to the ~~compulsive~~ *problem* gambling prevention program established under these provisions, including revising the definition of various terms and revising the list of state agencies expressly required to coordinate on specified issues under these provisions.

(3) The bill would appropriate the sum of \$3,000,000 from the Indian Gaming Special Distribution Fund to the Department of Alcohol and Drug Programs to conduct a gambling prevalence study and to implement a ~~compulsive~~ *problem* gambling prevention program. *The bill would also give the problem gambling prevention program first priority for funding appropriated by this act.*

(4) The bill would declare that it is to take effect immediately as an urgency statute.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.



*The people of the State of California do enact as follows:*

SECTION 1. Section 12012.85 of the Government Code is amended to read:

12012.85. There is hereby created in the State Treasury a fund called the “Indian Gaming Special Distribution Fund” for the receipt and deposit of moneys received by the state from Indian tribes pursuant to the terms of tribal-state gaming compacts. These moneys shall be available for appropriation by the Legislature for the following purposes:

(a) Grants, including any administrative costs, for programs designed to address gambling addiction.

(b) Grants, including any administrative costs, for the support of state and local government agencies impacted by tribal government gaming.

(c) Compensation for regulatory costs incurred by the State Gaming Agency and the Department of Justice in connection with the implementation and administration of tribal-state gaming compacts.

(d) Payment of shortfalls that may occur in the Indian Gaming Revenue Sharing Trust Fund.

(e) Disbursements for the purpose of implementing the terms of tribal labor relations ordinances promulgated in accordance with the terms of tribal-state gaming compacts ratified pursuant to Chapter 874 of the Statutes of 1999. No more than 10 percent of the funds appropriated in the Budget Act of 2000 for implementation of tribal labor relations ordinances promulgated in accordance with those compacts shall be expended in the selection of the Tribal Labor Panel. The Department of Personnel Administration shall consult with and seek input from the parties prior to any expenditure for purposes of selecting the Tribal Labor Panel. Other than the cost of selecting the Tribal Labor Panel, there shall be no further disbursements until the Tribal Labor Panel, which is selected by mutual agreement of the parties, is in place.

(f) Any other purpose specified by law.

SEC. 2. Section 12012.90 is added to the Government Code, to read:

12012.90. (a) (1) For each fiscal year commencing with the 2002–03 fiscal year, the California Gambling Control Commission shall determine the aggregate amount ~~necessary to~~

1 ~~make-up~~ of shortfalls in payments that occurred in the Indian  
2 Gaming Revenue Sharing Trust Fund pursuant to Section 4.3.2.1  
3 of the tribal-state gaming compacts ratified and in effect as  
4 provided in subdivision (f) of Section 19 of Article IV of the  
5 California Constitution as determined below:

6 (A) For each eligible recipient Indian tribe that received money  
7 for all four quarters of the fiscal year, the difference between one  
8 million one hundred thousand dollars (\$1,100,000) and the actual  
9 amount paid to each eligible recipient Indian tribe during the fiscal  
10 year from the Indian Gaming Revenue Sharing Trust Fund  
11 ~~pursuant to Section 4.3.2.1 of the tribal-state gaming compacts~~  
12 ~~ratified and in effect as provided in subdivision (f) of Section 19~~  
13 ~~of Article IV of the California Constitution.~~

14 (B) For each eligible recipient Indian tribe that received  
15 moneys for less than four quarters of the fiscal year, the difference  
16 between two hundred seventy-five thousand dollars (\$275,000) for  
17 each quarter in the fiscal year that a recipient Indian tribe was  
18 eligible to receive moneys and the actual amount paid to each  
19 eligible recipient Indian tribe during the fiscal year from the  
20 Indian Gaming Revenue Sharing Trust Fund.

21 (2) For purposes of this section, “eligible recipient Indian  
22 tribe” means a noncompact tribe, as defined in Section 4.3.2(a)(i)  
23 of the tribal-state gaming compacts ratified and in effect as  
24 provided in subdivision (f) of Section 19 of Article IV of the  
25 California Constitution.

26 (b) Upon authorizing the final payment for each fiscal year  
27 from the Indian Gaming Revenue Sharing Trust Fund, the  
28 California Gambling Control Commission shall report the amount  
29 of ~~this~~ the deficiency determined pursuant to subdivision (a) to the  
30 committee in the Senate and Assembly that considers the State  
31 Budget.

32 (c) Upon a transfer of moneys from the Indian Gaming Special  
33 Distribution Fund to the Indian Gaming Revenue Sharing Trust  
34 Fund and appropriation thereof in the Budget Act, the California  
35 Gambling Control Commission shall distribute the moneys as  
36 ~~provided in Section 4.3.2.1 of the tribal-state gaming compacts to~~  
37 ~~tribes that were eligible to receive those payments during the~~  
38 ~~immediately preceding fiscal year.~~ to eligible recipient Indian  
39 tribes for each quarter that a tribe was eligible to receive a  
40 distribution during the fiscal year immediately preceding.

SEC. 3. Section 4369 of the Welfare and Institutions Code is amended to read:

4369. There is within the State Department of Alcohol and Drug Programs, the Office of ~~Compulsive Problem and Pathological~~ Gambling.

SEC. 4. Section 4369.1 of the Welfare and Institutions Code is amended to read:

4369.1. As used in this chapter, the following definitions shall apply:

(a) ~~“Compulsive gambling” means any participation in gambling activities due to impulse or compulsion, or obsession with participation in gambling activities that is compromising, disruptive, or damaging to the gambler’s family or employment.~~

(b) ~~“Compulsive gambling prevention programs” means programs designed to reduce the prevalence of problem and compulsive gambling among California residents, including, but not limited to, public education and awareness, training, data collection, problem gambler identification, and referral services.~~

(c) ~~“Department” means the State Department of Alcohol and Drug Programs.~~

(d) ~~“Office” means the Office of Compulsive Gambling.~~

(e) ~~“Pathological gambling” means an impulse control disorder characterized by a persistent, recurrent, and uncontrollable impulse to participate in gambling activities that meets the diagnostic criteria set forth in the Diagnostic and Statistical Manual, Version 4 of the American Psychiatric Association.~~

(f) ~~“Problem gambling” means patterns of gambling-related behavior that compromise, disrupt, or damage personal, family, educational, and vocational pursuits. The term includes pathological and compulsive gambling.~~

(a) *“Department” means the State Department of Alcohol and Drug Programs.*

(b) *“Office” means the Office of Problem and Pathological Gambling.*

(c) *“Pathological gambling disorder” means a progressive mental disorder meeting the diagnostic criteria set forth by the American Psychiatric Association’s Diagnostic and Statistical Manual, Fourth Edition.*

(d) “Problem gambling” means participation in any form of gambling to the extent that it creates a negative consequence to the gambler, the gambler’s family, place of employment, or community. This includes patterns of gambling and subsequent related behaviors that compromise, disrupt, or damage personal, family, educational, financial, or vocational interests. The problem gambler does not meet the diagnostic criteria for Pathological Gambling Disorder.

(e) “Problem gambling prevention programs” means programs designed to reduce the prevalence of problem and pathological gambling among California residents. These programs shall include, but are not limited to, public education and awareness, outreach to high risk populations, early identification and responsible gambling programs.

SEC. 5. Section 4369.2 of the Welfare and Institutions Code is amended to read:

4369.2. (a) The office shall develop a ~~compulsive problem gambling prevention program for problem, underage, and compulsive gamblers within the state. Administrative costs for the program may not exceed 10 percent of the total funding budgeted for the program.~~ Based prevention program, which shall be the first priority for funding appropriated in this act. The prevention program shall be based upon the allocation priorities established by the department and subject to funding being appropriated for the purpose of this subdivision, the ~~comprehensive prevention program~~ and shall consist of all of the following:

(1) ~~Prevention and education services to the general public.~~

(2) ~~A toll-free telephone service for referral of compulsive gamblers to compulsive gambling counselors and self-help groups.~~

(3) ~~Research into the origin, causes, treatment, and prevalence of problem gambling and pathological gambling among juveniles and adults, including the identification of risk factors and indicators of compulsive gambling.~~

(4) ~~Training of certified, registered, licensed health professionals in the areas of problem gambling, underage gambling, and compulsive gambling, including, but not limited to, identification of problem gambling behavior and knowledge of referral services and treatment programs.~~

1 (1) A toll-free telephone service for immediate crisis  
2 management and containment with subsequent referral of problem  
3 and pathological gamblers to health providers who can provide  
4 treatment for gambling related problems and to self-help groups.

5 (2) Public awareness campaigns that focus on prevention and  
6 education among the general public including, for example,  
7 dissemination of youth oriented preventive literature, educational  
8 experiences, and public service announcements in the media.

9 (3) Empirically driven research programs focusing on  
10 epidemiology/prevalence, etiology/causation, and best practices  
11 in prevention and treatment.

12 (4) Training of health care professionals and educators, and  
13 training for law enforcement agencies and nonprofit organizations  
14 in the identification of problem gambling behavior and knowledge  
15 of referral services and treatment programs.

16 (5) Training of ~~gaming industry organizations on gambling~~  
17 ~~industry personnel in identifying customers at risk of engaging in~~  
18 ~~behaviors associated with compulsive~~ for problem and  
19 pathological gambling and knowledge of referral and treatment  
20 services.

21 ~~(6) Identifying and transferring best practices in compulsive~~  
22 ~~gambling prevention.~~

23 (b) The office shall develop a program to support treatment  
24 ~~services for problem, compulsive, and pathological gamblers~~  
25 ~~within the state. Based~~ services for California residents with  
26 problem and pathological gambling issues. The program shall be  
27 based upon the allocation priorities established by the department  
28 and subject to funding being appropriated for the purposes of this  
29 subdivision, ~~the~~. These priorities shall also be based on the best  
30 available existing state programs as well as on continuing  
31 research into best practices and on the needs of California. The  
32 treatment program shall consist of all of the following  
33 components:

34 (1) Treatment services for problem, ~~compulsive, and~~  
35 ~~pathological gamblers and their immediate families, including,~~  
36 ~~but not limited to, outpatient services, intensive outpatient~~  
37 ~~services, aftercare services, and inpatient services to those persons~~  
38 ~~requiring specialized care. and pathological gamblers and~~  
39 directly involved family members. These treatment services will be  
40 created through partnerships with established health facilities that



1 *can provide treatment for gambling related problems, substance*  
2 *abuse facilities, and providers. State funded treatment may*  
3 *include, but is not limited to, the following: self-administered,*  
4 *home-based educational programs; outpatient treatment;*  
5 *residential treatment; and inpatient treatment when medically*  
6 *necessary.*

7 (2) A funding allocation methodology that ensures treatment  
8 services are delivered efficiently and effectively to areas of the  
9 state most in need.

10 (3) Appropriate review and monitoring of treatment programs  
11 ~~provided at the local level, including, but not limited to, standards~~  
12 ~~for treatment, certification of treatment providers and facilities,~~  
13 ~~and grant oversight and monitoring.~~ *by the director of the office or*  
14 *a designated institution, including grant oversight and*  
15 *monitoring, standards for treatment, and outcome monitoring.*

16 (4) *Treatment efforts shall provide services that are relevant to*  
17 *the needs of a diverse multicultural population with attention to*  
18 *groups with unique needs, including female gamblers,*  
19 *underserved ethnic groups, the elderly, and the physically*  
20 *challenged.*

21 (c) The office shall make information available as requested by  
22 the Governor and the Legislature with respect to the  
23 comprehensive program.

24 SEC. 6. Section 4369.3 of the Welfare and Institutions Code  
25 is amended to read:

26 4369.3. In designing and developing the overall program, the  
27 office shall do all of the following:

28 (a) Develop a statewide plan to address ~~the problem of~~ *problem*  
29 *and pathological gambling.*

30 (b) Adopt any regulations necessary to administer the program.

31 (c) Develop priorities for funding services and criteria for  
32 distributing program funds.

33 (d) Monitor the expenditures of state funds by agencies and  
34 organizations receiving program funding.

35 (e) Evaluate the effectiveness of services provided through the  
36 program.

37 (f) Notwithstanding any other provision of law, any contracts  
38 required to meet the requirements of this chapter are exempt from  
39 the requirements contained in the Public Contract Code and the



1 State Administrative Manual, and are exempt from the approval  
2 of the Department of General Services.

3 (g) The first and highest priority of the office with respect to the  
4 use of any funds appropriated for the purposes of this chapter shall  
5 be to carry out subdivision (a).

6 (h) *Administrative costs for the program may not exceed 10*  
7 *percent of the total funding budgeted for the program.*

8 SEC. 7. Section 4369.4 of the Welfare and Institutions Code  
9 is amended to read:

10 4369.4. All state agencies, including, but not limited to, the  
11 California Horse Racing Board, the California Gambling Control  
12 Commission, the Department of Justice, and any other agency that  
13 regulates casino gambling or cardrooms within the state, and the  
14 Department of Corrections, the California Youth Authority, the  
15 State Departments of Health Services, Alcohol and Drug  
16 Programs, and Mental Health, and the California State Lottery,  
17 shall coordinate with the office to ensure that state programs take  
18 into account, as much as practicable, problem and pathological  
19 gamblers. The office shall also coordinate and work with other  
20 entities involved in gambling and the treatment of problem and  
21 pathological gamblers.

22 SEC. 8. Section 4369.5 of the Welfare and Institutions Code  
23 is repealed.

24 SEC. 9. The sum of three million dollars (\$3,000,000) is  
25 hereby appropriated from the Indian Gaming Special Distribution  
26 Fund to the Department of Alcohol and Drug Programs to conduct  
27 a gambling prevalence study and to implement a ~~compulsive~~  
28 *problem* gambling prevention program.

29 SEC. 10. The ~~compulsive~~ *problem* gambling prevention  
30 program created in this chapter shall be expanded subject to  
31 funding appropriated in legislation enacted subsequent to this  
32 chapter or in the annual Budget Act.

33 SEC. 11. This act is an urgency statute necessary for the  
34 immediate preservation of the public peace, health, or safety  
35 within the meaning of Article IV of the Constitution and shall go  
36 into immediate effect. The facts constituting the necessity are:

37 In order to ensure that provisions designed to prevent  
38 ~~compulsive~~ *problem and pathological* gambling are enacted as

1 soon as possible, it is necessary that this act take effect  
2 immediately.

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